HOUSE BILL No. 4705

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May 7, 2013, Introduced by Rep. McBroom and referred to the Committee on Tax Policy.

A bill to amend 1993 PA 331, entitled

"State education tax act,"

(MCL 211.901 to 211.906) by adding section 5c.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

SEC. 5C. (1) NOT LATER THAN MAY 25, 2013, A QUALIFIED LOCAL SCHOOL DISTRICT SHALL TRANSMIT TO THE STATE TREASURER ALL EXCESS DEBT LEVY RETIREMENT FUNDS HELD BY THE QUALIFIED LOCAL SCHOOL DISTRICT. THE STATE TREASURER SHALL DEPOSIT ALL EXCESS DEBT LEVY RETIREMENT FUNDS TRANSMITTED UNDER THIS SUBSECTION INTO THE STATE TREASURY TO THE CREDIT OF THE STATE SCHOOL AID FUND ESTABLISHED IN SECTION 11 OF ARTICLE IX OF THE STATE CONSTITUTION OF 1963.

(2) EACH PARCEL OF PROPERTY SUBJECT TO THE TAX LEVIED UNDER THIS ACT LOCATED IN A QUALIFIED LOCAL SCHOOL DISTRICT SHALL RECEIVE A CREDIT AGAINST THE TAX LEVIED IN JULY 2013 UNDER THIS ACT. THE

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AMOUNT OF THE CREDIT SHALL BE CALCULATED BY MULTIPLYING THE TAXABLE VALUE OF THE PROPERTY BY THE APPLIED MILLAGE RATE. THE LOCAL TAX COLLECTING UNIT SHALL REFLECT THE AMOUNT OF THE CREDIT ON THE JULY 2013 TAX BILL FOR EACH PARCEL OF PROPERTY.

(3) AS USED IN THIS SECTION:

(A) "APPLIED MILLAGE RATE" IS THE RATE DETERMINED BY THE STATE TREASURER BY DIVIDING THE EXCESS DEBT LEVY RETIREMENT FUNDS TRANSFERRED UNDER SUBSECTION (1) BY THE TOTAL TAXABLE VALUE OF ALL PROPERTY SUBJECT TO THE TAX LEVIED UNDER THIS ACT LOCATED IN THE QUALIFIED LOCAL SCHOOL DISTRICT.

(B) "EXCESS DEBT LEVY RETIREMENT FUNDS" MEANS THE AMOUNT THAT A QUALIFIED LOCAL SCHOOL COLLECTED ON OR AFTER JULY 1, 2012 TO RETIRE OUTSTANDING BONDED INDEBTEDNESS IN EXCESS OF THE AMOUNT NECESSARY TO RETIRE THE OUTSTANDING BONDED INDEBTEDNESS OF THE QUALIFIED LOCAL SCHOOL DISTRICT ON DECEMBER 1, 2012. EXCESS DEBT LEVY RETIREMENT FUNDS INCLUDE ANY ACCRUED INVESTMENT INCOME, INTEREST, AND PENALTIES ON DELINQUENT ACCOUNTS.

(C) "QUALIFIED LOCAL SCHOOL DISTRICT" MEANS A LOCAL SCHOOL DISTRICT THAT, ON OR AFTER JULY 1, 2012, LEVIED AND COLLECTED DEBT MILLAGE TAX FOR BONDS THAT WERE RETIRED ON MAY 1, 2012 AND WERE NO LONGER OUTSTANDING AS OF JULY 1, 2012.